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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 002704

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [CH](#) [TW](#)

SUBJECT: TAIPEI SEEKS TO DEFUSE FISHING DISPUTE WITH JAPAN

REF: TAIPEI 2530

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

1. (C) Summary: Taiwan is seeking to quickly settle a recent row with Japan over a disputed fishing zone in waters between Taiwan and Japan. Taipei says that the two sides are likely to hold a round of talks in late June/early July to agree on an expanded joint fisheries area that should mitigate against future friction. Despite progress on the diplomatic front, Minister of National Defense (MND) Lee Jye caved into opposition pressure to dispatch a Taiwan Navy frigate to the disputed fishing zone to assert Taiwan's claim. Lee and Legislative Yuan (LY) President Wang Jin-pyng personally took part in the June 21 cruise that was billed by the media as a show of force in the face of Japanese bullying. Taiwan officials accuse Pan-Blue politicians and media outlets of hijacking the fishing dispute to undermine Japan-Taiwan relations. Views within Taiwan on Japan are divided sharply along ethnic lines, making the government particularly sensitive to the need for resolving the ongoing dispute quickly. This factor, combined with media and opposition chest-thumping, has pushed the government to gradually take a harder public line on the issue than it originally envisioned. End Summary.

2. (C) Taiwan officials are seeking to find a quick diplomatic solution over the recent expulsion of Taiwan fishing boats by Japanese authorities operating between Taiwan and Okinawa (Reftel). While officials downplay the strategic significance of the issue, opposition politicians and media outlets have used the June 8 expulsion of Taiwan fishing vessels from the disputed area to grandstand against the government's alleged weakness in dealing with Tokyo. Pan-Blue legislators characterized MND leaders as defeatists after a senior officer told LY members that Taiwan could not win a war with Japan over the territorial dispute. People First Party (PFP) Defense Committee Co-Chair Lin Yu-fang threatened to block action on the Special Defense Procurement Budget if MND did not send vessels to "protect" Taiwan's fishermen. Pan-Blue legislators denounced the Taiwan Navy for using ongoing exercises as an excuse for not sending vessels to the area. Bowing to opposition demands, the Taiwan Navy dispatched a frigate to the area on June 21 with MND Minister Lee Jye, LY Speaker (and KMT Chairman candidate) Wang, and members of the LY Defense Committee on board.

Tempest in a Teapot

3. (C) Taiwan officials express dismay at politicization of the issue. Raymond Mou, Senior Advisor to Foreign Minister Mark Chen, told AIT that the fisheries dispute should be resolvable fairly quickly once negotiators from the two sides sit down to discuss the issue. National Security Council (NSC) Senior Advisor for Asia Affairs Lin Cheng-wei echoed this view, noting that talks are provisionally set for late June. Lin complained that the main reason agreement had not been reached in earlier rounds of fisheries talks was that both sides, having made the politically symbolic step of creating a forum for dialogue, preferred to keep the issues unresolved in order to have an excuse for further meetings. Lin stated that the main issue left unresolved after the last 14 rounds of Taiwan-Japan fishery talks concerns the size of a joint fisheries management zone in the area where the Taiwan boats were expelled on June 8. Taiwan officials say that there are few Japanese fishing boats that operate in the area, thus Tokyo's past insistence in limiting the size of the joint fishing area makes little sense in commercial terms. Lin added that Taipei is also willing to de-link fisheries discussions from more sensitive questions of territorial waters and EEZs in recognition of Tokyo's one China policy. Lin expressed optimism that Tokyo's desire to avoid friction with yet another neighbor will convince Japanese officials to seek a quick settlement favorable to Taipei's interests.

4. (C) In the immediate aftermath of the June 8 incident, senior Chen administration officials emphasized publicly that the issue should be resolved diplomatically and not be used as an excuse to antagonize a friendly neighbor. However, Premier Frank Hsieh and other senior officials later adjusted their public line, touting the government's determination to protect the rights of Taiwan fishermen in the wake of a

constant barrage of anti-Japan media commentary. Japanese Interchange Association Deputy Director Hirakoba Hiroto told AIT that Taiwan officials have privately been apologetic over the government's recent actions, especially the June 21 dispatch of the frigate, and asked Tokyo to understand that these actions are only being taken to ease political pressure on the Taipei government.

15. (C) While Taiwan officials say the media and political uproar over the fisheries dispute strengthens Taipei's negotiating position, they privately assert that Taiwan has no real moral ground to stand on. Col. Yuan Cheng-Pei, the Taiwan NSC official in charge of Taiwan-Japan pol-mil issues, told AIT that Japan is justified in taking a hard line towards Taiwan fishing boats since Taiwan's aggressive fishing fleet "constantly" violates Japan's territorial waters. Yuan stated that Taiwan fishing groups are making such a big deal over the June 8 expulsion only because it was a rare occasion where their activities fell into a gray area, allowing the Taiwan fishermen to cynically portray themselves as victims. Yuan expressed frustration over the media's distorted coverage of recent events and willingness to create facts in order to fuel a sense of public crisis.

Ideological Plot?

16. (C) Other government and ruling party officials suggest darker motives behind the recent fishing episode. Democratic Progressive Party (DPP) International Affairs Department Deputy Director Hsieh Huai-huei asserted that Pan-Blue officials and media outlets have tried to leverage the episode to drum up anti-Japanese sentiment. Hsieh said that the Pan-Blue not only wants to undermine warming ties between Taipei and Tokyo, but also seeks to distract public attention from the PRC military threat. Other Pan-Green contacts point out that the Suao fishing association directly involved in the current standoff is part of a local political faction headed by a former PFP legislator. Some contacts have also drawn a link between the political/media frenzy over the fishing dispute and the high-profile recent trip to Tokyo by PFP-affiliated aboriginal legislator Kao-Chin Su-mei to demand that Japan return the spirits of aborigines listed at the controversial Yasukuni Shrine.

17. (C) The NSC's Lin said that the government is deeply concerned by attempts by opposition politicians to manipulate the current fishing dispute for ideological ends. Views towards Taiwan's relations with Japan are divided sharply along ethnic lines. Ethnic Taiwanese and Hakka, regardless of political affiliation, generally see Japan in a positive light while many Mainlanders and aborigines, for historical reasons, hold views on Japan similar to those in Mainland China and Korea. Lin said that the government is particularly concerned that the opposition's anti-Japan campaign will impact on morale within the Taiwan military, which remains overwhelmingly Mainlander and has a historical enmity towards Japan. Local papers have quoted unnamed Taiwan military officials grumbling that a pro-Japan clique in the NSC is preventing the military from taking a harder line towards Japan over the fishing dispute.

18. (C) Not all Pan-Blue officials have joined the anti-Japan bandwagon. Former KMT Premier and Chief of the General Staff Hau Pei-tsun criticized MND's decision to dispatch a frigate laden with political figures as meaningless showmanship (Comment: Hau's criticism may have been a dig at KMT Chairman candidate Wang. Hau is the only KMT elder supporting Wang's reformist rival Ma Ying-jeou. End Comment). Former KMT legislator Apollo Chen (Shuei-sheng) told AIT that the fishing episode will "only increase the public's perception that the KMT has become a willing partner for Beijing in its efforts to sabotage Taiwan's relations with Washington and Tokyo." Chen warned that the KMT's actions are likely to be used against it in future presidential elections.

Silver Lining?

19. (C) Some observers say the Pan-Blue chest-thumping over the fishing dispute could have some unintended benefits for the government, for example by easing the standoff over passage of the Special Defense Procurement Budget. National Cheng-chi University Professor Chao Kuo-tsai told AIT that PFP legislators may be able to build a case for their deep Blue supporters that Taiwan needs to upgrade its defenses in order to resist Japan, not the PRC. Chao commented that MND Minister Lee's willingness to accommodate Pan-Blue demands, despite resistance from DPP officials and legislators, may have been a critical gesture to the Pan-Blue ahead of a possible summer special session to discuss the Special Defense Procurement Budget. The NSC's Lin noted that another positive side-effect of the recent episode would be Japanese acceptance of Taipei's request to establish operational channels between the Taiwan and Japanese Coast Guards. Lin said that one of the reasons the June 9 episode got out of

hand was that the two sides had no way to communicate quickly enough to take measures to prevent a more public standoff.

Comment: Domestic Politics in the Driver's Seat

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10. (C) Neither Taipei nor Tokyo wants a confrontation over fishing rights in the East China Sea and are likely to work hard to resolve differences over the joint fisheries management area at the center of the June 8-9 incident. A diplomatic solution is unlikely to satisfy Taiwan's fishing industry, which will no doubt be emboldened by recent media and political support to further push the envelope in waters controlled by Japan. Media grandstanding has largely succeeded in forcing the government to take a harder line, at least in public, towards Japan than it would have otherwise preferred. In the longer run, however, Japan-bashing is not likely to be a winning strategy for the Blue camp. While polls suggest there is public sympathy for the plight of Taiwan's fishing interests, there is also widespread pro-Japan sentiment around the island, especially among the island's ethnic Taiwanese majority.
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